

**Summary of Sixth Negotiation Session on
New Water Supply Agreement**

Date of Session: March 24, 2003
Place: Santa Rosa Laguna Pumping Plant
Time: 9:00 AM – Noon

Parties Present and Represented:

Cities: Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Windsor
Districts: North Marin, Marin Municipal, Sonoma County Water Agency,
Valley of the Moon, and Forestville Water District
Carl Leivo introduced himself as the new City Manager and representative for
Rohnert Park. (See Attachment A for complete list of attendees).

Opening Public Comment

Miles Ferris, chairman of the WAC, opened the meeting inviting public comment. There was none.

Voting Method

Voting represents the consensus of the ten parties (Cotati, Petaluma, Rohnert Park, Santa Rosa, Sonoma, Windsor, Forestville Water District, North Marin Water District, Marin Municipal Water District (MMWD) and Valley of the Moon Water District). Each of the ten has one vote to cast pursuant to the rule adopted by the WAC at its meeting of September 9, 2002, namely:

- Decision making style: Consensus (defined as all Parties agreeing they are either (a) for an issue (thumbs up), (b) can live with it (thumbs horizontal) or (c) opposed (thumbs down). Vote results are reported in parentheses where taken as (a/b/c).
- If Parties can't come to consensus, table the issue and deal with it at the end of the negotiation.

Recap of Prior Negotiation Session

As background, consultant John Nelson reviewed actions and work products coming out of the February 24th session. The parties then approved the minutes of the prior session and took up the following.

A. Final Conservation Issues Language

Randy Poole reported that SCWA staff had not had time as yet to make the three changes agreed to Conservation Issues agreed to at the last meeting but would do so before the next session.

B. Feedback on Governance Issues

WAC Voting Method: At the February 24th negotiation session Petaluma had voted no on the proposal favored by a majority of the WAC to retain the voting methodology contained in the Eleventh Amended Agreement regarding WAC agreement decision-making. Pam Torliatt reported that, while preferring the alternative based on annual entitlement, that this was not a deal breaker and agreed to change the City's vote to "can live with it".

Communication and Reporting Issues: Regarding Framework Issues T, U and V pertaining to communication/information issues and auditing of Agency, at February 24th session, Randy Poole and Tim Smith stated the Agency disagreed with most of these but thought they could agree to some tweaking of language proposed in the first sentence for Section 1.8 (b), which was proposed by WAC to read:

“The Agency shall provide other information and reports requested by the Water Advisory Committee and deemed reasonable and necessary by the Agency.”

Mr. Poole reported that he had decided to hold off on working up some alternative language for this item. He said he wanted first to see if there was enough interest for the Agency to continue with negotiation of a new agreement (see Item D for more information on this response from Mr. Poole).

C. Proposed Letters to MMWD and Town of Windsor

Windsor Letter: Chris DeGabriele reported that another meeting had been held between the ad hoc group and Windsor officials on March 17, 2003 and reviewed some resulting changes agreed upon. As approved by the WAC at the last session, the letter was then finalized and posted by the WAC chair to the Town of Windsor on March 19, 2003. A copy of the final letter is included here as Attachment B.

MMWD Letter: Mr. DeGabriele reported a productive meeting was held on March 14, 2003 between the ad hoc group and MMWD and that some changes were being considered for the MMWD letter. He said he would be scheduling another meeting with MMWD in the near future and hoped to have a final draft back to the WAC at the next negotiation session.

D. Review of SCWA's Response to WAC's Framework Issues and Additional Framework Issues Raised by SCWA (Attachment A and B to SCWA Draft Water Policy Statement of December 2002)

Another ad hoc committee of the WAC lead by Chris DeGabriele and Virginia Porter had been formed to evaluate these items. Mr. DeGabriele outlined the groups findings and recommendations which were set forth in a memo to the WAC dated February 10, 2003 (see Attachment C).

Bill Stevens (Rohnert Park) asked why Agency needed rights to recycled water. Mr. Poole said to distribute recycled water in Alexander Valley.

Mr. Poole then stated that there was not enough interest, in his view, for the Agency to pursue a new agreement. He said the Agency could live just fine with the Eleventh Amended Agreement. He said the Eleventh Amended Agreement provided the funding needed for projects as well as compliance with ESA requirements.

Mike Martini (Santa Rosa) said the existing agreement did not address some important issues such as governance, which the parties had debated and now come to agree upon; nor does the Eleventh Amended Agreement address demand hardening. He said the important issues raised by the public in the lengthy public workshop process need to be worked through.

Lee Harry said VOM could live with the Eleventh Amended Agreement but didn't want to see the public input trashed.

Jake MacKenzie (Rohnert Park) said maybe it was time to think of a new way forward, perhaps a WAC subcommittee working with Agency and focusing on areas of disagreement.

Pam Torliatt (Petaluma) said it was important that WAC members are on same page and said the current process should continue with or without the Agency.

Matt Mullan (Windsor) said he viewed the process needed as taking the best of the existing agreement and adding language to address the concerns raised to come up with the new agreement.

Al Bandur (Sonoma) said he could not understand how Agency could have different interests than WAC.

Mr. Poole said his interest for new agreement not high – that there just was not enough in it for the Agency. Regarding watershed policy he said SCWA Board sets watershed policy and that the current debate on this topic boils down to an issue of who is in charge.

Mike Martini pointed out that only 5 of the issues raised by the WAC on its list of 56 were deemed by the Agency to be “outside the agreement” and that 6 of the 16

Framework Issues raised by the Agency were not supported by the WAC. He said that indicates a lot of common interest supporting a new agreement. The facilitator asked for a vote on how the parties felt about moving forward and focusing on these 11 issues. The vote was 9/0/0.

**E. Suggested Language to Deal with the following Framework Issue areas:
Watershed Management, General Plan Relationships and Basic Agreement
Concepts**

John Nelson reviewed suggested starting point language for dealing with watershed management, general plan relationship and basic agreement concept framework issues. These were as set forth on Attachment D. The first section recites the Framework Issues, including two additional framework issues raised by the Agency. The second part of the attachment sets forth starting point language for negotiation.

Mr. Nelson noted the first recommendation is to add a section to the agreement entitled Planning and Watershed Protection which in part (a) sets forth responsibilities for the Agency to; (1) take the lead in planning the best mix of resources to meet its water supply needs – termed Integrated Water Resource Planning or IRP by some (cost to be covered by the O&M charge); and (2), on behalf of its customers, to participate with responsible agencies in pursuit of a watershed restoration and maintenance plan for the Russian River (cost to be covered by benefited parties including water contractors). Part (b) sets forth the obligations of the water contractors regarding examining impacts of public works under their jurisdiction regarding ways and means to comply with the ESA and implement warranted actions to achieve compliance. Part (c) sets forth the obligations of the water contractors regarding creation/conformance of general plans regarding policies/laws that protect fish and wildlife.

Mr. Nelson covered other language dealing with some basic agreement concepts dealing with changes in a project without amending the agreement, controlling water deliveries to a contractor who is taking water in excess of entitlements, advance WAC approval of a non-budgeted and non-emergency expenditure greater than \$500,000.

After a lengthy discussion, Mr. Poole summarized the Agency's position as being opposed to the following:

- The \$500,000 advance approval by WAC on a non-budgeted item,
- Giving WAC advance approval of funding from WAC for watershed management/planning efforts,
- Inclusion of watershed planning as part of agreement, and
- Including of IRP planning as part of agreement.

After further discussion focusing on the planning and watershed issues, the parties and Agency agreed as follows:

1. Mr. Poole and Mr. Nelson would get together and seek language regarding planning for the best water supply mix – tying the effort to the Urban Water Management Planning work, along the lines suggested by Chris DeGabriele (North Marin) that the Agency now performs.
2. Discussion of watershed planning would be held off until the policy language currently being suggested for inclusion in the new Sonoma County General Plan regarding water supply and related matters is reviewed by the WAC. Chris DeGabriele said he would work with Virginia Porter and provide this information to the WAC.

Follow-up Tasks for Nest Session

1. Recap of March 24th Negotiation Session (Nelson).
2. Final Conservation Issue Language (Poole).
3. Agency to respond with some language re Framework Issues T, U and V. (Poole)
4. Feedback from ad hoc group on letter to MMWD (DeGabriele)
5. Suggested Language on planning for best water supply mix (Poole and Nelson)
6. Update on where Sonoma County stands on General Plan policy with regard to water supply and related matters (DeGabriele and Porter)
7. Continued Negotiation of Watershed Management, General Plan Relationships and Basic Agreement Concept Issues (Nelson)

Next Negotiation Session

Time and Date: 9:00 AM-12:00 PM, April 28, 2003
Place: Santa Rosa's Laguna Treatment Plant

Attachment A

Attendees Of Water Advisory Committee Negotiation Meeting of March 24, 2003

Attendees:

- Chris Sliz, City of Santa Rosa
- Miles Ferris, City of Santa Rosa
- Mike Martini, City of Santa Rosa
- Ross Liscum, City of Santa Rosa
- Jane Bender, City of Santa Rosa
- Virginia Porter, City of Santa Rosa
- John Nelson, JONWRM
- Jake Mackenzie, City of Rohnert Park
- Bill Stephens, City of Rohnert Park
- Carl Leivo, City of Rohnert Park
- Chris DeGabriele, North Marin Water District
- Al Bandur, City of Sonoma
- Mike Fuson, City of Sonoma
- Toni Bertolero, City of Cotati
- Janet Orchard, City of Cotati
- Ron Theisen, Marin Municipal Water District
- Pam Nicolai, Marin Municipal Water District
- Paul Berlant, Town of Windsor
- Matt Mullan, Town of Windsor
- Lee Harry, Valley of the Moon Water District
- Mike Ban, City of Petaluma
- Pam Torliatt, City of Petaluma
- Steve Simmons, City of Petaluma
- Mike Healy, City of Petaluma
- Randy Poole, Sonoma County Water Agency
- George Roberts, Forestville

Public Attendees:

- Brenda Adelman, RRWPC
- Jo Timmsen, Tell the Truth
- Don McEnhill, League of Women Voters
- Bob Anderson, United Winegrowers
- Larry Loder, Las Galinas Valley Sanitary District